

STAND. COM. REP. NO.

680

Honolulu, Hawaii

March 4, 2011

RE: H.B. No. 306

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 306
entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill as received by your Committee is to
require the Department of Taxation (DOTAX) to provide the
Legislature with an annual report on individual income patterns in
the State; a biennial report on the income patterns of
corporations, proprietorships, and partnerships in the State; and
an annual report on tax credits.

For the purposes of a public hearing, your Committee
circulated a proposed H.D. 1 that deletes the bill's contents and:

- (1) Amends the method of computing the estate and transfer
tax;
- (2) Repeals the income tax credit for resident taxpayers for
income taxes paid to other jurisdictions; and
- (3) Imposes an excise tax on direct broadcast satellite
service providers.

A concerned individual opposed this bill. DOTAX, the Tax
Foundation of Hawaii, Hawaii Association of REALTORS, Oceanic Time
Warner Cable, and several concerned individuals provided comments.

HB306 HD1 HSCR FIN HMS 2011-2852



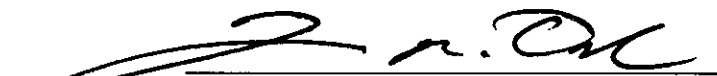
Your Committee has amended this bill by adopting the proposed H.D. 1.

Your Committee has further amended this bill by:

- (1) Making the changes made to the computing method of the estate and transfer tax apply retroactively to the estates of decedents who died after April 30, 2010;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 306, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



